



# THE SOCIETY OF ACTUARIES IN IRELAND

## Code of Professional Conduct

<b>Version</b>	<b>Effective from</b>
1.0	1 <sup>st</sup> November 2010

### Application

This Code applies to all members of the Society of Actuaries in Ireland (“Society”).

### Purpose

The Code consists of principles which members are expected to observe in the public interest and in order to build and promote confidence in the work of actuaries and in the actuarial profession.

### Scope

The Code applies at all times to members’ conduct in the performance of their work as members of the actuarial profession. In the event of ambiguity as to whether work performed is within the scope of the Code, members should assume that the Code applies. The Code will also be taken into consideration where a member’s conduct in other contexts could reasonably be considered to reflect on the profession.

### Status

Members are expected to carry out their professional activities in accordance with the Principles set out in the Code. However, the Code does not purport to be an all-encompassing description of behaviours that should be adopted or avoided. Members are expected to observe the spirit as well as the letter of the Code.

If a member’s conduct is called into question under the terms of the Society’s Disciplinary Scheme, the member’s conduct will be judged by reference to the Code and any other professional, legal or regulatory requirements that are relevant to the matter.

Conduct that falls short of the Code will not inevitably constitute misconduct under the Disciplinary Scheme. However, members must be prepared to justify any departure from the Code and explain why an act or omission was appropriate and reasonable in the particular circumstances involved.

It is recognised that members may act in a support role in which another member carries ultimate responsibility for the work performed. For the avoidance of doubt, the Code applies to members in support roles, though any assessment of their conduct by reference to the Code may have regard to such factors as their level of responsibility in relation to the matter and the extent of their relevant work experience.

## **PRINCIPLES**

### **Integrity**

Members will act honestly and with the highest standards of integrity.

### **Competence and Care**

Members will perform their professional duties competently and with care.

### **Impartiality**

Members will not allow bias, conflict of interests or the undue influence of others to override their professional judgement.

### **Compliance**

Members will comply with all relevant legal, regulatory and professional requirements. Members will take reasonable steps to anticipate and address situations where they may be unable to comply. Members will challenge non-compliance by others.

### **Open Communication**

Members will communicate in an appropriate manner and meet all applicable reporting standards.

## **AMPLIFICATION OF PRINCIPLES**

This information, which forms part of the Code, is included in order to illustrate how members are expected to interpret and apply the Principles in particular contexts.

The term “client” in this information means the intended recipient(s) of advice and/or services provided by a member. A member’s client may be the member’s employer, as the circumstances and context dictate.

This information is not exhaustive. Members are expected to apply professional judgement as and when necessary to ensure that they observe the spirit as well as the letter of the Code.

### **1. Integrity**

- 1.1 Members will be honest, open and truthful in promoting and performing their professional services.
- 1.2 Members will act in an objective manner when providing advice and will apply consistent principles and assumptions in situations that are substantially similar.
- 1.3 Members will not provide information that they know or ought to know is false or misleading and will not furnish information recklessly. Members who become aware that they have inadvertently provided false or misleading information, or that a client has misinterpreted advice provided by the member, will take appropriate corrective action promptly, having regard to the materiality of the matter at issue.

- 1.4 Members will show respect for others in the way they conduct themselves in their professional lives.
- 1.5 Members will not engage in conduct involving dishonesty, fraud, deceit or misrepresentation.
- 1.6 Members will not commit any act that may reflect adversely on the reputation of the actuarial profession. For the avoidance of doubt, this does not preclude criticism of the profession, if such criticism forms part of a justifiable debate conducted in the public interest.
- 1.7 Members will respect confidentiality unless disclosure is permitted by law and justified in the public interest.
- 1.8 Before accepting any assignment or role, members will consider carefully whether they should consult with any member who previously carried out such an assignment or role for the client, to establish whether there might be any professional reason why the assignment or role should be declined. Members will respond promptly to any such consultations.
- 1.9 Members who have doubts about the interpretation of this Code or other professional requirements, or their application in particular circumstances, will seek appropriate advice.

## **2. Competence and Care**

- 2.1 Members will:
  - a) establish the identity of their client and, where Members perform more than one function, who the client is in relation to each function; and
  - b) take care that the advice or services they deliver are appropriate to the instructions and needs of their client, while having due regard to:
    - (i) the legal and other rules which may govern the matter, and
    - (ii) other parties, such as policyholders of an insurer, members of a pension scheme or any analogous persons, where the member, by virtue of training and experience, ought reasonably to be aware that their interests may be affected by the member's work or that the client has a legal or professional duty of care to them. Members will draw the client's attention to the potential for adverse impacts of proposed acts or omissions on such persons, if applicable.
- 2.2 Members will consider whether advice from other professionals and other specialists is necessary to assure the relevance and quality of their work.
- 2.3 Members will not act unless:
  - a) They have an appropriate level of relevant knowledge and skill; or
  - b) They are acting on the advice of an individual who has the appropriate level of relevant knowledge and skill and all interested parties are aware that this is the case; or

- c) They are acting under the direct supervision of another member who is taking professional responsibility for that work.
- 2.4 Members will agree with their client the scope and nature of any appointment or instruction, and, where the client is not the member's employer, the basis of remuneration for the appointment or instruction, in a timely manner. Members will disclose to their client any other financial interest that they – or their employer, where the client is not the member's employer – may have in any assignment or its outcome.
- 2.5 Members will keep their competence up to date.
- 2.6 Members will co-operate with others serving their client.

### **3. Impartiality**

- 3.1 Members' advice to their clients will be objective, independent and unbiased unless the member has informed the clients to the contrary and advised them of the implications.
- 3.2 Members will not act where there is a conflict of interests that cannot be reconciled or where there is a potential conflict of interests that has not been fully disclosed to the parties involved. A conflict of interests exists where a member's duty to act in the best interests of a client is or may reasonably be considered to be compromised by:
  - (a) the member's own interests or the interests of a person to whom the member is connected, or
  - (b) the interests of other clients, or
  - (c) an interest of the member's employer (where the client is not the member's employer).
- 3.3 Members will take reasonable steps to ensure that they are aware of any relevant interest of their employer.
- 3.4 Members will document the steps they have taken to reconcile a conflict of interests and will agree those steps with their clients if they would be ineffective without agreement.

### **4. Compliance**

- 4.1 If members believe that a course of action proposed by their client is unlawful, unethical or improper, they will draw the client's attention to that fact.
- 4.2 Members will report behaviour that they have reasonable cause to believe is unlawful, unethical or improper. Where relevant and appropriate, members may in the first instance avail of reporting processes within their firms to report such behaviour. Notwithstanding the existence of such processes, members will consider whether it would be appropriate to report the behaviour in question to regulators or other relevant authorities.
- 4.3 Members will report to the Society, in a timely manner, any act or omission by another member which they have reasonable cause to believe constitutes or might constitute misconduct, including a material breach of any relevant legal, regulatory or professional requirements, for consideration under the Society's Disciplinary Scheme. Where such

reporting or the subsequent investigation of alleged misconduct requires the disclosure of information that would normally be confidential to a third party, members will take all reasonable steps to obtain the consent of the third party to such disclosure. Before deciding whether to report the matter to the Society, members may discuss the apparent misconduct with the other member concerned and seek further information in order to form a view on whether the matter in question does amount to apparent misconduct. Discussing the matter also gives the other member the opportunity to rectify the apparent misconduct or mitigate its effect, although any such rectification or mitigation does not relieve members of their duty to report the apparent misconduct.

## **5. Open Communication**

5.1 In respect of any communications for which they are responsible, whether written or oral, members will indicate such responsibility clearly and will ensure that:

- a) the communications are clear, timely, accurate, not misleading and contain sufficient information (including the client's identity, the capacity in which the member is acting and the scope of the assignment or task to which the communication relates) to enable the subject matter to be put in its proper context;
- b) the communications indicate how any further explanation can be obtained;
- c) the method of communication is appropriate, having regard to:
  - (i) the intended audience
  - (ii) the purpose of the communication
  - (iii) the significance of the communication to its intended audience, and
  - (iv) the capacity in which the member is acting.

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